



How do I know what qualifies for the IDAHO Investment Tax Credit?

Qualifying property is new or used depreciable property. Idaho adopted the definition of qualifying property found in Internal Revenue Code (IRC) Sections 46(c) and 48 in effect prior to 1986 for this credit.

The depreciable life must be three years or more. Property not used in Idaho and vehicles under 8,000 pounds gross weight do not qualify.

Property used in a trade or business that does qualify includes:

1. Tangible personal property--machinery and equipment.
2. Other tangible property--property used as an integral part of manufacturing, production, extraction, or furnishing transportation, communications, or utility services, or research facilities and bulk storage facilities used in connection with those businesses.
3. Elevators and escalators.
4. Single purpose agricultural or horticultural structures, such as a commercial greenhouse or a milking barn.
5. Certain qualified timber property.
6. Petroleum storage facilities.

Property that does not qualify includes the following:

1. Buildings and their structural components.
2. Property used primarily for lodging. This is an apartment house or other facility where sleeping accommodations are provided and rented. The rental period is normally more than 30 days. (Tangible personal property used in a facility that rents rooms for a period of less than 30 days does qualify.)
3. Property expensed under Section 179, IRC.
4. Property subject to 60-month amortization.
5. Used property:
 - a. not acquired by purchase; or
 - b. in excess of \$150,000; or
 - c. acquired from a related person. This includes a person acquiring property they used prior to the acquisition.
6. Property that is either nondepreciable or has a useful life of fewer than three years.
7. The portion of property that is for personal use."
8. Horses.

Questions? Contact the Idaho Tax Commission www.tax.idaho.gov (208)334-7660